



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

January 21, 2014

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Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

WASHINGTON, D.C. UPDATE ON FEDERAL BUDGET

On January 16, 2014, The Senate passed, 72 to 16, the Federal Fiscal Year (FFY) 2014 omnibus appropriations bill (H.R. 3547), sending it to the President for his signature. On January 15, 2014, the House passed H.R. 3547 on a 359 to 67 vote, and the President signed a Continuing Resolution (H.J. Res. 106), which temporarily funded Federal programs through January 18, 2014.

As reported in the previous Washington, D.C. update, the \$1.012 trillion omnibus appropriations bill, extends funding for the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) through the end of the year, and also funds all but a few of the discretionary programs through which the County receives funding. These Programs would be funded at or relatively close to their enacted FFY 2013 funding levels. This means that the vast majority of discretionary programs would be funded slightly above their post-sequester levels for FFY 2013 when a 5 percent sequester was applied to enacted appropriations. Low-income entitlement programs, such as SNAP, TANF, and Medicaid, are exempt from sequestration.

It is noteworthy that the bill's net effect on the County's revenue for individual programs cannot be determined with a high degree of certainty. This is because Federal agencies generally have discretion to reallocate or use a limited portion of appropriated funds for purposes other than allocation to state and local governments, such as to offset Federal administrative costs. In addition, the County's percentage share of total available funding always will vary from year to year, based on how the County fares

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under methodologies and formulas used by the Federal and State governments to allocate available funding.

Most notably, the County's percentage share of total State Criminal Alien Assistance Program (SCAAP) appropriations has fluctuated significantly from year to year, especially in FFYs 2012 and 2013 when the Department of Justice (DOJ) used its discretion to reallocate 10 percent of total SCAAP appropriations to other programs -- the maximum percentage allowed under annual appropriations acts. In FFY 2013, after applying the 5 percent sequester, reallocating 10 percent of total SCAAP appropriations, and offsetting its SCAAP administrative costs, DOJ awarded state and local governments only \$213.3 million of the \$250.2 million appropriated for SCAAP. If DOJ were to transfer 10 percent of the \$180 million in FFY 2014 SCAAP appropriations and withhold the same amount for administrative costs, then total SCAAP payments would fall to only \$161 million. In FFY 2013, the County received its all-time low SCAAP payment (\$5.7 million), which was far below its all-time high SCAAP payment of \$34.0 million in FFY 2002.

We will continue to keep you advised.

WTF:RA
MR:MT:ma

c: All Department Heads
Legislative Strategist